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CORPORATE PARTICIPANTS

Albert G. White *The Cooper Companies, Inc. - President, CEO & Director*

Brian Andrews *The Cooper Companies, Inc. - Senior VP, CFO & Treasurer*

CONFERENCE CALL PARTICIPANTS

Lawrence H. Biegelsen *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

PRESENTATION

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

All right. Good morning, everyone. I'm Larry Biegelsen, the medical device analyst at Wells Fargo. It's my pleasure to introduce this morning The Cooper Companies. With us, we have Al White, the President and CEO; and Brian Andrews, the CFO.

So in terms of format, it's going to be moderated Q&A. If anybody in the audience has a question, please raise your hand. We'll come around with the mic. Al and Brian, thanks so much for being here again this year.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, sure. Thanks for hosting.

QUESTIONS AND ANSWERS

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

So Al, you stepped into the CEO role a few months ago. Can you talk about what you've done so far as CEO and what your top priorities are over the next 12 months? It seems like the biggest difference between you and your predecessor is your focus on spending more money to drive faster top line growth. Why the change?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. I mean, certainly, to me, we have some opportunities in front of us from a revenue growth perspective, and it's all linked to winning new wearers. It's the New Fit Data that we talk about. So if we can get out there and win opportunities and capitalize on those opportunities, that means executing by getting new wearers and pulling more wearers. And our New Fit Data is as strong as it's been since I've been at Cooper. So I look at that and you kind of step back and you go, "Well, why? Why are we doing it? So what's driving that success?" Our ability to go out and offer customized solutions to big retailers and buying groups and so forth is what we call key accounts, is really strong right now. I mean, we can go and we can offer market-leading products, unique packaging, labeling, shipments, and then we can do that in the context of offering a multiyear contract. So it doesn't have to be a 1 or 2. I mean, we want to go and partner with somebody and say, "Hey, we'll do a 5-year contract with you or longer, but we'll do these long-term arrangements so that this is a win-win relationship." Meaning you're going to get lower price. The more volume that you buy from us, the lower price you're going to get from us. So we want to convert your new wearers. We want it to be successful for you. We want to handle it from your perspective, all the contact lenses, so that you don't need to deal with that. So at the end of the day, I kind of look at it and say, "We're in a pretty unique position here." We have a competitive advantage. We've got our manufacturing lined up, our distribution lined up. It's a great time to capitalize on that and drive new wearer growth. So that is true. So I look at it and say, "Where I sit today, I'm pretty excited to put dollars behind that and drive some better top line growth."

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

So 2 follow-up questions on it. One is, what are the dollars going towards? You're talking about -- the only thing -- clue I got on the call was advertising and promotion I heard you used. Well, if you're doing these deals with key accounts, large retailers, what kind of additional dollars are required to drive that initiative?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. So if you look at it from really a marketing expense perspective, so the promotion, the advertising, the promotional activity, everything that goes in there, a good example will be free lenses. Free lenses, for us, is we're going out. We're with an optometrist, and we're handed lenses out and say, "Hey, try them. You'll like them." Try this one, the store brand or try this one that's maybe MyDay, that's our brand. But you're going to like these. Those free lenses that we're handing out are marketing expenses for us. So the more of those that we hand out, the higher the marketing expense. Now the higher the probability that somebody does try those lenses and likes those lenses, and once they do and they buy that lens, on average, a new contact lens wearer coming into your lenses wears them for 7 years. So going out and converting those wearers right now is the key. But that will be a great example of incremental marketing expense would be free lenses.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Are there other examples? Because that doesn't seem that significant to kind of change the cost structure.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. I mean, it's a multitude of things. So you're also talking about going out and doing promotional activity with the retailer, be it signage and brochures and that type of thing that they're seeing, and then also other activity. And it's different -- by different country as to how you're promoting that. I mean, some of that actually gets to be more on the DTC side of things in certain locations.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And is this a U.S. or OUS or global opportunity?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

It's a -- that's a great question. It's a global opportunity, but it's different in different parts of the world. And when you look at that, selling into a buying group, where maybe we're the premier sponsor in that buying group with Alcon or with somebody else. And we're going in and we're selling, and we're competing and trying to win new fits. That's kind of one part of the business. Another part would be you go do a deal with a big retailer who has a lot of optometrists that are basically independent optometrists. They're not employees of that retailer. That's a different one. You can strike up a deal with the corporate office, but not have success selling your product through that franchise because the independent optometrists aren't supporting it. So you have to go out, and your salespeople kind of have to knock on doors and drive that. Then your -- maybe your other extreme of that is a retailer, an operation where they have significant influence over the optometrist. Either the optometrist is an employee or has some other -- there's some other form of influence there. You go in and drive wins in those kind of contracts. You have a better opportunity to convert new wearers.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And is this private label? Or is it -- or branded product, your brand within these new accounts?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. So there's some -- I'll describe it kind of how I talk about it and how we discuss it internally, which is different than maybe we've used in the past. And I know Bob used to refer to 30% of our business being private label. To me, I don't look at it that way. I look at -- a small portion of our business is private label. Because, to me, private label is mostly older products that I'm giving you, and put your name on it and you're going to turn around and sell those. And that's kind of it. And then that's kind of a generic private label kind of transaction. We don't do a lot of that. We have a lot more what we refer to and I think as customized product offers. We're going in. We're partnering with somebody. Yes, we will take our old products and sell them until you stick your name on them, but we'll also take the latest and greatest technology that's in the marketplace, some of which is true market-leading technology, and we'll put your store brand name on that. We'll also do customized packaging for you and labeling and shipments there. And we can do shipments and put solutions in it for an FRP wearer as an example. So we'll do a lot of that unique kind of stuff, even going so far potentially as saying, we'll create a unique lens for you if there's going to be enough value. So to me, it's more about customizing the relationship and creating a partnership with somebody than it is going in and saying, "Hey, I'll do a private label for you." Kind of anybody could potentially kind of do some of that activity.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

So you define it differently, but Bob threw out that 30% number. Whatever -- however Bob used to define it, that 30%, you expect that to go up over time?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, yes. I expect that to go higher.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And there was one other disconnect for me, which was this fit, this -- the data you have for New Fit is ahead of your share. What's the disconnect? Why isn't that New Fit Data translating into a dollar share?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. So you're exactly right. As a matter of fact, our New Fit Data is a decent amount ahead of our current market share right now. But a new fit to someone doesn't necessarily result in immediate revenue. So if someone -- for instance, you get a new fit and someone buys their contact lense, it's on a monthly basis, as an example. So some people are going to buy a year's supply. Some people are going to immediately do it on a monthly basis. And Europe is a good example where that's -- there's a much higher percentage of people who are receiving their contact lenses mailed to them on a monthly basis. So that new wearer and how they're buying their lenses and what's happening through the channel inventory and so forth has an impact. There's -- in other words, there's a delay between the New Fit Data and the revenue data. That's obviously a great indication. Because I'd look at that New Fit Data and say, "Okay. Well, where is our market share going to go? How are we going to get there?" That dynamic is important. Now we get that data through like GfK and some different sources. And it's not the best data in the world, which is one of the reasons we don't release it. But we've kind of compiled that over a number of years and put our own twist on it. So that we can take a look at it and say, "How is true market share data when I include all the things that we're talking about around the world and people who don't report in the GfK because there's some retailers and people who don't?" But at the end of the day, we have a good solid consistent model where we track New Fit Data. And that is doing really well, especially on daily silicone hydrogels. That is clearly the driver.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

So you're saying that's a leading indicator, obviously? So maybe we'll just transition into kind of CVI in the outlook? And you reported, I think, 9% growth in CVI pro forma in fiscal Q3. You're guiding to about the same, I think, 8% to 10% for Q4. And you made some color commentary on the call about expecting strong growth in 2019. Maybe walk us through that and how you're feeling about kind of the sustainability of the CVI growth.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, yes. We haven't given guidance on 2019, obviously, yes. But certainly, the momentum that we have right now, and that's driven by all the things we're talking about, the key account wins and so forth and these investments -- investment activity. That momentum will continue, yes. So when I look at where we are right now, the success we had in Q3, the success I'm envisioning in Q4, that success should continue into next year. And obviously, we ultimately hit Q3 again of next year, and we have higher comps, and we need to pursue that kind of stuff. But I do feel good about the momentum and the revenue growth continuing to be fairly strong with good provisioning.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Over the last 12 months, I would say there's been kind of debate about whether you can outpace the market, continue to take share. I'm starting to hear you now. Even though the market has accelerated to arguably 6% to 7%, which is good for everybody, you're guiding to above that. So it sounds like you still feel that you can grow faster than the market, albeit not at that 1.2 -- 1.5 to 2x that Bob used to talked about 5 years ago. Is that a fair way to think about it?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. And I would -- so yes. I do believe we'll grow faster than the market. I believe we will grow. When you look at it from a revenue perspective, and you're right. Let's say we're growing 1.2x the market or something like that, I believe our rate of growth with new fits will be greater than that.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Okay. But you feel -- but just to close the loop, you feel you can grow above the contact lens market?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

That's correct, yes. And there's some really good things going on in the market. I mean, some of our competitors are doing some good things to the point where you're exactly right. The entire contact lens market, which was growing for a number of years, remember at 4% or 5%, has now moved. That growth has moved up certainly to comfortable saying 5% to 6%, if not even probably 7% -- close to 7% on a trailing 12-month basis.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And how much of it, the acceleration of growth, is due to increased rebating, which we've heard about in the U.S., including you guys increasing your rebates? Could people be -- should people be concerned about pull-forward, number one, that, that rebating has kind of pulled forward some business, and that's why we see accelerated growth in the contact lens market? And should people be concerned about that rebating is just a form of kind of price competition?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

I'd love for rebating to go away. I think at the end of the day, what rebating has really done is taking price and made it flat. So in our industry, we used to grow about 2%, maybe even 3% a year because of price increases. And you'll see some of that activity still on a lift basis. But on a net basis, rebates have eliminated that. So the growth that you're seeing in the marketplace right now is coming from create that to new wearers, transition to dailies, daily si hys and so forth. It's not coming because of price. So I wouldn't put too much weight necessarily on saying that's pulling things forward. Could it pull some things forward? I mean, that's possible. But at the end of the day, I wouldn't put too much weight on that. I'd say there's more -- in my mind, there's more upside to that at some point because I think pricing needs to move higher. True net look-through pricing needs to move higher well in the future.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

But the rebates are booked in SG&A?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Contra revenue.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

In what, I'm sorry?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

A reduction in revenue.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

The reduction in revenue, I apologize. Okay. So yes, I wanted to transition to P&L because that was another big topic on the Q3 call. And there's a lot of moving pieces. At a high level, I think you're guiding to about $11.60 at the midpoint for fiscal 2018. You got a question about fiscal 2019 EPS growth. Low single digits was the question, which you seem to kind of the blast. By our math, 4% gets you to about $12.0 5. And I just want to make sure that we got the -- heard the message correctly. And maybe if you can walk us through kind of how we get from this expected really strong revenue growth on a constant-currency basis, double-digit operating income growth we get on a constant-currency basis down to, let's call it, 4% reported EPS growth using the midpoint of your 2018 guidance. What are some of the things people need to consider?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. Well, I think that probably one of the key takeaways is that we did talk about double -- low double-digit OI growth in constant currency. And as you know, because you and I talked about this in the past, we have not presented or talked that way. We kind of talked more on an as-reported basis, and we'll tighten our belt to hit that number. Or if currency moves in our favor, we'll invest to the upside. So that's a little bit of kind of a shift, if you will, on the messaging and saying, "Hey, we can still deliver that low double-digit OI growth." But to your point, as you work through the P&L, we have a step-up in taxes. So let's just start with that. I mean, we're going to end this year, we should be around 8% effective tax rate. Because the tax reform, the way it hits us is in October year-end. That tax rate steps up to, let's say, 14%. Now that 14% can be lower, certainly, because part of the reason where at 8% this year is option exercises. So the equity accounting going through the effective tax rate. So there are things like that we obviously don't forecast. But if we're going from 8% to 14%, that alone is 6 points, yes And then you talk about some FX headwinds. So without trying to give guidance, if you look at it and try to back into that, those are kind of the numbers that go in there. And then you get some plus/minus with interest expense, which should generate a lot of cash. So we'll pay down some debt. What happens with the Fed and interest rates is what matters. So we'll see how it plays out. Obviously, we'll give guidance and details on it in December. But I think that at a high level, you're thinking about it correctly on how those numbers come out.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

You guys have historically beat on tax you're guiding this year. What did you start the year at? I can't remember. 10%?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Closer to 10%, yes.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Right. You're going to do 8%. Some of it's options. Is there -- how much, when you think about next year, that 14%, excluding the option exercises, is there a possibility you could do better on that tax rate? Or do you think that's pretty firm?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, I think there's a possibility that we can do better. I mean, there's still some tax reform language that's coming out. So we're still working through some of those details right now. Our -- we incorporate tax planning into our strategic planning. So we look at that from a return perspective. As to where we manufacture product and how we sell and some of the relationships we have and stuff, we're incorporating tax in there. So do I think we can do better? Yes. I would say that, that 14% kind of trends down a little bit once it gets there, and even maybe it doesn't hit 14% next] year. There was some stuff. Even this year, we had some tax credits that we received this quarter due to some manufacturing expansion and new hiring that we have done offshore. So we're not going to forecast tax credits and so forth of that nature. But if we continue to grow and doing what we're doing, I could envision more of that type of activity lowering our effective tax rate in the future, maybe even next year.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And when we look at fiscal 2020, it sounds like you're committed to still at least targeting double-digit EPS growth. Excluding these kind of one-time issues that you talked about like effective tax, on an EPS basis, the goal is still double-digit EPS growth?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, that's correct. That's correct. Yes, we have this kind of 1 year that we're dealing with, with a big step-up in taxes and who knows with FX. But you're right, like if you're looking through in outer years, yes, I would envision more back to double-digit EPS growth.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

CSI, a lot of moving pieces of there. PARAGARD is the most important piece right now of that, given it's a big, significant acquisition for you, guys. But maybe outline kind of how you see CSI going forward and the different components, fertility office in PARAGARD.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. let's start with PARAGARD. I mean, PARAGARD came out with another good quarter. That product is doing better than I thought it was going to do. I'll admit that. I still view that as kind of a mid-single-digit grower. It's a product that's been in the marketplace for a long time. Having said that, the New England Journal of Medicine publication that came out earlier this year and some of the feedback from that is having an impact. It's very challenging to measure what is that impact and how that's playing out. But I will tell you we're investing there. So we talk a lot about CooperVision and the investments and so forth. But of that incremental investment amount, 1/3 of that is CooperSurgical, and it's heavily going to PARAGARD.

And you'll see advertisements in PARAGARD now this month in People Magazine and so forth. You're seeing us hiring salespeople. We're up to probably around 50 salespeople now. So the training and the advertising, the promotional activity, we're investing there. So my two cents on that one right now is we have a nice opportunity. I don't know what the growth's going to look like in the future that's going to come from this transition to nonhormonal birth control. But if there's opportunity there, we're going to capitalize on it. Right now, we have a sales force that's selling into the OB-GYN office, and we've also built up the sales force on PARAGARD. Ultimately, we don't really need 2 sales forces on that. But we do right now because we're trying to capitalize on the PARAGARD opportunity. And once they focus on it, It's really high-margin product. At some point in the future, I think the synergies happened there because we merged those 2 sales forces together. But honestly, we have about 17% market share in the U.S., that nonhormonal IUDs against hormonal IUDs. There are markets outside of the U.S. that are 50-50. So I look at that and I look at the nonhormonal option that we're providing, and we need to see if we can take advantage of that and drive that. So one, I'm excited about PARAGARD. We'll see where it goes. It's doing better than I anticipated. We look at our return analysis, assuming mid-single-digit growth on that. So obviously, anything that we're getting in excess of that is really nice. If you look at the rest of the business, we did a number of acquisitions, a lot within fertility to get that going. We obviously didn't hit on every single DO. We've taken a hit, and then we've pulled out -- pulled back on a little bit of the more generic or non-IVF-related genetic testing. But I think that the fertility business we have right now is a mid upper single-digit grower. And then I think our base business, which is our traditional OB-GYN product is more of a low single-digit grower. So to me, on a go-forward basis, we do now have CooperSurgical being kind of a mid-single-digit grower, pretty high gross margins, good operating margins, a lot of cash flow per revenue dollar because there's not a lot of CapEx. So I'm pretty happy where CooperSurgical is right now. I think we have some good years in front of us.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

On PARAGARD, the New England Journal article, maybe just kind level-set people on that, but that was an opportunity that came to you after, I think, the acquisition. But it's a little bit tricky, right? It's because you're basically -- it's telling the doctors, the OB-GYNs that hormonal contraceptives may increase the risk, I think, with breast cancer, right? And so the doctors never like to hear kind of what they've been doing in the past may not have been good for their patients. How do you leverage that opportunity?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, great question. And we went out and met with key opinion leaders and did our work on that, and it came back very clearly that doctors did not want to hear us talking about that. What they wanted to hear is what we're doing, which is to go out and remind people that there's a non-hormonal option out there that's a fantastic option and make individuals aware of it and remind doctors that there's a company out there who now owns it, who's going to support it. And that's what we've done. So we're out there not selling against anything, but selling in favor of a nonhormonal option.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

And so is that direct to consumer?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Some of that's direct to consumer, yes.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Is that -- can you talk about what kind of researches you're putting behind that? It seems like a big opportunity, but it also can be expensive.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

It can be very expensive. So there's -- you're exactly right. There is a definite push/pull there right now because there is excitement around the product within CooperSurgical. And there are certainly people who are saying, "Hey, we should go out there very aggressively with a DTC kind of campaign, make sure everyone is aware of this product." I'm probably -- well, I am much more on the conservative side of that of, okay, let's go do some advertising. Let's hit the appropriate marketplaces where we can find the people who we want to target, and let's see how we do on that. So let's add some salespeople. Fine. Let's see how we do some with of those accounts, where the salespeople are calling versus where we don't have salespeople. Let's do some select advertising and see what kind of response levels we get on that. And if we're successful on that, my guess is we accelerate that spending. Obviously, the return on it is phenomenal. And the less successful we are, it's easy to pull them back. But we are spending real money. I mean, there are millions of dollars, millions and million of dollars, of incremental dollars going into advertising and promotional activity there.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

When do you think you'll have a good sense of the increased spending is giving you a good ROI, where you might turn the needle up a little bit?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Well, there's some people right now who would say, "We're already seeing that" Right? back to back quarters.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

That's kind of what I was thinking at the back of my head bases on the recent performance.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. But we've only owned the product for 9 months. We went through some channel inventory and so forth in the first quarter, where we had a big decline. So to me, we still have some time here. As a matter of fact, I wouldn't mind seeing another 6 to 12 months, 3, 4 quarters, something like that, where we continue to invest as we're investing. Maybe it's a little bit more incremental investing, but we kind of evaluate how we're doing.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Let me scan the room, we've got a couple of minutes left, and see if there are questions here. I have a few more. Al, when you give your guidance in CooperVision in 2019, how are you going to take into account new competition? So I mean, it's Bausch and Alcon that have publicly said they're coming in with a silicon hydrogel daily disposable. How do you factor that into the guidance?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. It's a hard thing to do, obviously. You talk about Alcon as an example. Do they launch a mass market daily silicon? Yes or no? When do they launch it? How do they launch it? There's different kinds of launches. You'll see companies launch just the sphere in select markets. Bausch was kind of talking about that. Or you can launch the sphere or the toric or a sphere, toric, multifocal so far. You can do a big aggressive launch. You can do a small launch you can do in certain geographies. There's a lot of different ways to do that. So the further away the launch is, that's -- obviously, the more challenging it is. If we have visibility on that, meaning there's product out with key opinion leaders, and we can see some of that kind of stuff, we'll obviously incorporate that into our guidance. When you look further out, we'll try to maybe build a little conservatism in there associated with some of that activity. But it gets pretty challenging.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

All right. I think we're running out of time here. What -- It's come up on -- it came up in the earnings call 2 quarters ago. What's next for Cooper in CooperVision? You've got a great product portfolio today. So people are asking, what's next? Is my myopia control the next big thing for you? It's small today, but big market opportunity. Or are there new lenses, more traditional lenses we can see?

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes. We're kind of in the enviable position of having a lot right now. And we do have some good stuff in our back pocket, so to speak, the launch. But right now, we're selling everything we have. We're being very successful. We're capacity-constrained into the spots. We're adding capacity in spots. We're not looking to roll out a bunch of new products because we're as successful as we are today. So we do have new products. I do believe you'll see new products in the coming years, some of which are going to be pretty exciting for us. I'm still excited about Biofinity Energys and where we can go with that. We're in the early stages. So there's opportunity to roll that kind of technology out to some of our other platforms. Myopia management, yes. I mean, you're seeing stuff from China right now, some of the recent news about myopia, the epidemic of myopia within China, and some of the new regulations and things that China is putting in place today to help manage that process. So I think we're in the early stages of that. But I even mentioned on this call, we've increased some R&D spending associated with that. So yes, I'm excited about that, but that's 4 or 5 years plus in terms of having a real revenue impact on the business.

Lawrence H. Biegelsen - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Perfect. Al, Brian, thanks so much for being with us.

Albert G. White - *The Cooper Companies, Inc. - President, CEO & Director*

Yes, absolutely. Thanks, Larry.

Brian Andrews - *The Cooper Companies, Inc. - Senior VP, CFO & Treasurer*

Thanks.
